

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P. O. BOX 942850
Sacramento, CA 94250-5878

DATE: January 4, 2013

PERSONNEL LETTER #13-002
(CSU Only)

TO: All Campuses in the Uniform State Payroll System

FROM: Lisa Crowe, Chief
Personnel/Payroll Services DivisionRE: **ASSEMBLY BILL 340/RETIREMENT**

This letter provides information concerning Assembly Bill (AB) 340, Public Employees' Pension Reform Act (PEPRA) of 2013. For additional information on the new retirement benefit changes resulting from PEPRA, refer to Technical Letter HR/EHDB 2012-16 (<http://www.calstate.edu/HRAdm/pdf2012/TL-BEN2012-16.pdf>).

BACKGROUND

The Public Employees' Pension Reform Act of 2013 (PEPRA) was signed into law in September 2012, and established new retirement tiers/benefits for employees who become CalPERS members on or after January 1, 2013 or are deemed a new member as defined by PEPRA. The new tier requires that all new employees/members that meet PEPRA's requirements pay at least 50% of the normal contribution cost. In order to be in compliance with PEPRA's new tiers, the State Controller's Office (SCO) has established new retirement account codes. Additional information is located on CalPERS web site (<http://www.calpers.ca.gov/eip-docs/employer/program-services/summary-pension-act.pdf>).

RETIREMENT ACCOUNT CODES

The SCO established seven new retirement account codes which determine the retirement plan and contribution rate for CSU employees who become CalPERS members on or after January 1, 2013. The new account codes are necessary because the employee's contribution rate is dependent on the CalPERS membership date.

CSU employees who first become CalPERS members on or after January 1, 2013, should be placed in one of the new account codes listed below. Campuses are responsible for entering the appropriate account code on respective appointment transactions.

| Retirement Category | Old Account Code | New Account Code | Rate | Exclusion Amount | New Benefit Formula |
|----------------------------|-------------------------|---------------------------------|-------------|-------------------------|----------------------------|
| Miscellaneous | 2U | 4U (Not Subject to SS/Medicare) | 6.0% | \$317 | 2.0% @ 62 |
| | 2Z | 2N (Subject to SS/Medicare) | 6.0% | \$513 | 2.0% @ 62 |
| Safety | 1U | 1M (Subject to Medicare) | 9.0% | \$317 | 2.0% @ 57 |
| | 3N | 3G (Not Subject to | 0.0%* | \$238 | 2.5% @ |

| | | | | | |
|------|----|------------------------------------|-------|-------|--------------|
| POFF | | SS/Medicare) | | | 57 |
| | 3P | 3H (Subject to Medicare) | 0.0%* | \$238 | 2.5% @ 57 |
| | 3Q | 3W (Not Subject to SS/Medicare) | 10.5% | \$238 | 2.5% @ 57 |
| | 3R | 3Z (Subject to Medicare) | 10.5% | \$238 | 2.5% @ 57 |

*The California State University pays 100% of the employee's contribution of 10.5%.

CONTACTS

If you have any questions regarding this letter, please contact Debra Mason at (916) 324-5879, dmason@sco.ca.gov, or Maria Banuelos at (916) 323-3932, mbanuelos@sco.ca.gov. For PPT documentation assistance, contact your CSU Audits Representative. For questions regarding CalPERS eligibility and benefits, contact CalPERS at (888) 225-7377.

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